

**FIRST ADDENDUM TO THE CITY OF TEMPE, ARIZONA
DEFERRED COMPENSATION/DEFINED CONTRIBUTION PLAN
SERVICES AGREEMENT**

This First Addendum to the City of Tempe, Arizona Deferred Compensation/Defined Contribution Plan Services Agreement (“First Addendum”) among Nationwide Retirement Solutions, Inc. (“Nationwide”), the City of Tempe (“Employer”) and Galloway Asset Management, LLC (“Galloway”) is effective this 1st day of April 2014, by and among Nationwide, Employer and Galloway.

WHEREAS, Employer, Nationwide and Galloway executed the City of Tempe, Arizona Deferred Compensation/Defined Contribution Plan Services Agreement (“Agreement”) on the 8th day of October, 2009;

WHEREAS, Employer desires to continue to contract with Nationwide in connection with the administration of the City of Tempe Deferred Compensation/Defined Contribution Plan (“Plan”);

WHEREAS, Nationwide desires to continue to provide certain administrative services to the Plan subject to the terms and conditions set forth in the Agreement;

WHEREAS, Employer desires to continue to contract with Galloway to provide investment advice and financial planning services; and

WHEREAS, Galloway desires to continue to provide investment advice and financial planning services.

NOW, THEREFORE, Employer, Nationwide and Galloway hereby amend the Agreement as follows:

1. Section 2 of the Agreement is hereby deleted in its entirety and replaced with the following:

Contract Term

Unless terminated earlier as provided in this Agreement, the original term of the Agreement has been extended for a five (5) year period through October 1, 2019 beginning on the effective date of the First Addendum by the parties (April 1, 2014). Employer at its sole discretion may terminate this Agreement for convenience with 30 days advance notice to Nationwide and Galloway.

2. Section 4 of the Agreement is hereby deleted in its entirety and replaced with the following:

Nationwide's Compensation

As compensation for the services provided by Nationwide pursuant to this Agreement, Employer and Nationwide agree that Nationwide shall be entitled to an annualized compensation requirement of 0.15% (15 basis points) of average total assets in the Plans contingent upon the Employer's adoption of Nationwide ProAccount[®], as further described in Exhibit C, at a fee of up to 0.65% (65 basis points). If the Employer elects not to adopt or terminates the ProAccount service, Nationwide's annualized compensation requirement will default to 0.17% (17 basis points).

A 0.15% (15 basis points) asset management charge will be assessed across all investment options. Plan assets shall include assets held in participant core accounts, participant accounts in SDBO, and assets represented by loans to participants. Employer acknowledges that Nationwide or its affiliates receive service payments in connection with the sale and servicing of investment in investment options allocated to participant Plan accounts (Mutual Fund Payments") as described in Exhibit B-1. Further, for mutual fund investment options selected by the Employer and made available to the Plan's participants, the Employer understands and agrees that Nationwide may receive service fee payments from the investment providers (or their affiliates) on assets not related to the Plan.

At the Employer's direction, Nationwide agrees to credit the Plan's participants all Mutual Fund Payments received accordingly upon receipt of reimbursement checks. The Mutual Fund Payments may be distributed on a pro rata basis, as directed by the Employer, and will be deposited into each participant's investment option that corresponds to the applicable Mutual Fund Payment.

Nationwide shall, as of December 31 of each year, provide an annual report to Employer concerning Nationwide's compensation.

Nationwide shall also receive fees with respect to a participant's use of the SDBO and for loan administration as follows:

- SDBO Account: a \$25 per participant annual administration fee.
- Participant Loans: \$50 initiation fee for each participant loan and a subsequent annual service fee of \$50 for each outstanding participant loan. \$50 default fee.

Fees for the SDBO and participant loans are in addition to the compensation for administrative services as provide in this Agreement.

3. Section 5 of the Agreement is hereby deleted in its entirety and replaced with the following paragraph:

Administrative Expense Reimbursement

Nationwide agrees to review with Employer the administrative expense reimbursement amounts for the previous contract to determine if any monies are owed to the City, and to resolve any revenue shortfalls that may be due to Nationwide from that contract, no later than May 30, 2014. For each year that this agreement remains in effect, Nationwide further agrees to assess a common basis point charge to each plan participant as determined by the Employer to provide Employer with

annual reimbursement of administrative expenses of the Plans, or other expenses as permitted by the Plans for the exclusive benefit of the Plans' participants and their beneficiaries. These reimbursements will be paid by Nationwide to the Employer within the month of May 2015, 2106, 2017, 2018 and 2019. Exhibit D-1 has been attached which displays the City's Administrative Budget Worksheet for calculating the costs referenced above.

4. Section 22 of the Agreement is hereby deleted in its entirety and replaced with the following:

Request for Renegotiation and Response

Employer and Nationwide agree that both the Renegotiation Disclosure Statements (401 (k) and 457 (b) plans) and original Request for Proposal (RFP 09-112) and Nationwide's qualifying answers found in the signed annotated response, are incorporated into this Agreement by reference. If a dispute under this Agreement arises, the RFP and signed annotated response shall control. In the even the RFP and signed annotated response are silent on a particular issue, the Parties shall work to resolve the dispute in good faith.

5. Section 23 of the Agreement is hereby amended by replacing Nationwide's address with the following:

If to Nationwide:	Nationwide Retirement Solutions, Inc. 10 W. Nationwide Boulevard Columbus, Ohio 43215 Attention: Eric Stevenson, Senior Vice President & Chief Sales Officer
-------------------	--

4. Exhibit A-1, hereto and incorporated herein, hereby replaces Exhibit A of the Agreement.

5. Exhibit B-1, hereto and incorporated herein, hereby replaces Exhibit B of the Agreement.

EXCEPT AS OTHERWISE PROVIDED HEREIN ALL THE TERMS AND CONDITIONS OF THE AGREEMENT SHALL CONTINUE IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties execute this First Addendum effective on the date first written above.

APPROVED BY
Nationwide Retirement Solutions, Inc:

By: _____
Title: _____

Date: _____

APPROVED BY
City of Tempe:

By: _____
Title: _____

Date: _____

Galloway Asset Management

By: _____
Title: _____

Date: _____

Approved as to form only:

City Attorney

Attest: _____
City Clerk

Exhibit A-1

The following investment options shall be used for purposes of funding the Plan:

Fund	Ticker
Oppenheimer International Growth Y	OIGYX
MFS International Value R4	MINHX
PIMCO Real Return Instl	PRRIX
PIMCO Total Return Instl	PTTRX
Vanguard 500 Index Signal	VIFSX
Vanguard Dividend Growth Inv	VDIGX
Parnassus Equity Income - Inst	PRILX
Fidelity Advisor® New Insights I	FINSX
T. Rowe Price New America Growth	PRWAX
Vanguard Equity-Income Inv	VEIPX
Oppenheimer Equity Income Y	OYEIX
Baron Growth Instl	BGRIX
American Funds American Balanced R6	RLBGX
Vanguard REIT Index Signal	VGRSX
American Funds 2010 Trgt Date Retire R6	RFTTX
American Funds 2020 Trgt Date Retire R6	RRCTX
American Funds 2030 Trgt Date Retire R6	RFETX
American Funds 2040 Trgt Date Retire R6	RFGTX
American Funds 2050 Trgt Date Retire R6	RFITX
Ivy Science & Technology I	ISTIX
Templeton Global Bond Adv	TGBAX
American Funds New Perspective R6	RNPGX
Oppenheimer Developing Markets Y	ODVYX
RidgeWorth Mid-Cap Value Equity I	SMVTX
Loomis Sayles Bond Instl	LSBDX
Vanguard Small Cap Index Signal	VSISX
Vanguard Mid Cap Index Signal	VMISX
Vanguard Total Intl Stock Index Signal	VTSGX
JPMorgan Small Cap Equity R5	JSERX
DFA US Targeted Value I	DFFVX
MFS International New Discovery R5	MIDLX
Prudential Stable Value	N/A

Exhibit B-1

Mutual Fund Payments *Our Relationships with the Mutual Funds*

Nationwide Retirement Solutions, Inc., offers a variety of unregistered group variable annuity contracts and mutual fund platforms (collectively referred to as "retirement products"). Those retirement products are sold exclusively in the public sector retirement markets through NATIONWIDE's life insurance and trust company affiliates (collectively referred to as the "Nationwide companies")

The variable accounts, trust accounts, or custodial accounts (the "Accounts") that accompany the retirement products offer investment options, and purchase and sell shares of certain mutual funds in the aggregate each day so that the performance of the investment options corresponds to the performance of those mutual funds. When the Accounts aggregate these transactions, the mutual fund does not incur the expense of processing individual transactions that it would incur if it sold its shares to the public directly. This expense is instead incurred by the Nationwide companies.

The Nationwide companies also incur the distribution costs associated with selling the retirement products, which benefits the mutual funds by providing contract owners and participants with investment options that correspond to the underlying mutual funds.

An investment adviser or subadviser of a mutual fund or its affiliates may provide the Nationwide companies with wholesaling services that assist in the distribution of the retirement products and may pay to participate in educational and/or marketing activities. These activities may provide the adviser or subadviser (or their affiliates) with increased exposure to persons involved in the distribution of the retirement products.

Types of Payments the Nationwide Companies Receive

In light of the above, certain mutual funds or their affiliates make payments to the Nationwide companies (the "payments"). The amount of these payments is typically based on an agreed upon percentage times the amount of assets that the Accounts invest in the mutual funds.

These payments may be used for any corporate purpose, which includes reducing the price of the retirement products, paying expenses that the Nationwide companies incur in promoting, marketing, and administering the retirement products, and achieving a profit.

The Nationwide companies receive the following types of payments:

- Mutual fund 12b-1 fees, which are deducted from mutual fund assets;
- Sub-transfer agent fees or fees pursuant to administrative service plans adopted by the mutual fund, which may be deducted from mutual fund assets; and
- Payments by a mutual fund's adviser or subadviser (or its affiliates). Such payments may be derived, in whole or in part, from the advisory fee that is deducted from mutual fund assets and reflected in the mutual fund charges.

Furthermore, the Nationwide companies benefit when assets are invested in Nationwide's affiliated mutual funds (i.e., Nationwide Variable Insurance Trust and/or Nationwide Mutual Funds) because their affiliates also receive compensation from the mutual funds for investment advisory, administrative, transfer agency, distribution, and/or other services. Thus, the Nationwide companies may receive more revenue with respect to affiliated mutual funds than unaffiliated mutual funds.

The Nationwide companies took these anticipated payments into consideration in determining the charges they impose under the retirement products (apart from fees and expenses imposed by the mutual funds). Without these payments, the Nationwide companies would have imposed higher charges on their retirement products.

Amount of Payments the Nationwide Companies Receive

For the year ended December 31, 2012, for public sector retirement products, the maximum payments that the Nationwide companies received from the mutual funds and their affiliates (as a percentage of the average daily net assets of the mutual funds attributable to the retirement products) and weighted average payments were:

	Maximum Percentage	Weighted Averages**
Public sector retirement products*	0.80%	0.20%

*Excludes select public sector retirement plan assets where the Nationwide companies either do not have agreements to receive any payments from the mutual funds or do not retain payments from the mutual funds.

** Weighted averages are the product of amounts the Nationwide companies earned, divided by annual average mutual fund assets (using quarter end average balances). All mutual funds available in a line of business are included when determining average mutual fund assets, regardless of whether the mutual funds or their affiliates actually made any payments to the Nationwide companies during the year, subject to the exclusion noted above.

Most mutual funds or their affiliates have agreed to make payments to the Nationwide companies, although the amount of the payment may vary from mutual fund to mutual fund. Some mutual funds may not make any payments at all.

The amount of the actual payments the Nationwide companies receive is based on an agreed upon percentage times the amount of assets invested by the Accounts in the mutual funds. As such, the Nationwide companies may receive higher payments from mutual funds that pay a lower percentage than from mutual funds that pay a higher percentage because of the level of assets invested by the Accounts.

Opportunities to participate in educational and/or marketing activities offered by investment advisers or subadvisers of the mutual funds or their affiliates to employees of the Nationwide companies are not taken into account in determining the amount of payments received.

Identification of Mutual Funds Offered in Our Retirement Products

The Nationwide companies identify a menu of potential mutual funds that correspond to the investment options for their retirement products. They may consider several criteria when identifying those mutual funds, including some or all of the following: investment objectives, investment process, investment performance, risk characteristics, investment capabilities, experience and resources, investment consistency, and fund expenses.

In some cases, the Nationwide companies identify mutual funds based on requests and recommendations made by retirement plan sponsors and/or their advisors. Another factor the Nationwide companies consider during this process is whether the mutual fund's adviser or subadvisor is one of their affiliates or whether the mutual fund, its adviser, its subadvisor(s), or an affiliate will make payments such as those described above.

You should consider all of the fees and charges of a retirement product in relation to the features and benefits of that product when making your decision to invest. The fees of the mutual funds being offered as part of the overall retirement product should also be considered in your decision. Please note that higher product and mutual fund fees and charges have a direct effect on the investment performance of your retirement savings.

(Additional information is available through “Fund Payments Made to Nationwide” link on www.nrsforu.com)

Exhibit C-1

Nationwide ProAccount[®]

Nationwide's managed account program, Nationwide ProAccount[®] offers professional, discretionary investment management with an experienced investment firm developing an investment portfolio for plan participants that takes into account how they feel about risk and where they are on the road to retirement.

Nationwide ProAccount was designed for retirement plan participants who prefer the convenience of having their accounts managed by a professional money manager or who simply do not feel they have the time or expertise to do it themselves. There is no minimum investment required for Nationwide ProAccount.

Participants will be assessed a fee of up to 0.65% which is in addition to any asset or service fees they may incur through the deferred compensation plan and any management fees, charges or expenses associated with each investment options.

Nationwide Investment Advisors, LLC (NIA), the investment adviser for Nationwide ProAccount, offers individualized investment advice using an investment process developed and maintained by the Independent Financial Expert (IFE) for the program, Wilshire Associates Incorporated (Wilshire).

Exhibit D-1
City of Tempe
Deferred Compensation Plan
Administrative Expense Budget Worksheet
Fiscal Year 2013-2014 / Renegotiation

Expenditure	Specific Expense	Annual \$ Funding Amount 13-14	Re-negotiation
Decision-Maker Education			
	NAGDCA Dues	\$ 600.00	\$ 600.00
5 conference participants	NAGDCA Annual Conference (registration \$550 x 5)	\$ 2,750.00	\$ 2,750.00
2 Fire / 2 City / 1 HR	NAGDCA per diem (5 @ \$65.00/day @ 4 days)	\$ 1,300.00	\$ 1,300.00
	NAGDCA Travel (5 @ \$750.00)	\$ 3,750.00	\$ 3,750.00
(actual NAGDCA costs are submitted for reimbursement)	NAGDCA Lodging (5 @ 4 nights @ \$200 per night)	\$ 4,000.00	\$ 4,000.00
	Consultant – 457 University	\$0 / (\$1800 previous year)	\$ 2000.00
Administrative			
	HR Administrative Personnel Payroll Expense	\$ 13,000.00	\$ 13,000.00
	Auditing Expense Reserve		\$ 16,000.00
Legal			
	Internal Legal Support Expense	(\$1500 was originally budgeted) \$ 0	\$ 0
Consulting			
	Request for Proposal (RFP) Expense	\$ 0	\$ 0
	Investment and Provider Monitoring Expense	\$ 8,500.00	\$ 10,000.00
	Consultant Renegotiation Expense	\$?	\$ 20,000.00
	RFP Consulting Reserve		\$ 0
Total Plan Expenses		~\$ 34,000	\$ 37,400.00 annual + \$36,000 1x expenses